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**LP**

The great new energy fantasies, the green new deals, the calls for massive multitrillion-dollar spending on wind and solar and hydro power and EVs, the plans to end the fossil fuel industry, the looming national and global summits to save the planet from climate change - on top of all this comes a new high-profile battle front in the Canadian war on carbon.

Carbon capture utilization and storage, commonly referred to as CCUS, is now the official focus of bureaucrats and industry executives following announcements from Ottawa and Alberta of a new joint working group. The objective is to create the technology that will allow Alberta to literally capture and bury 30 megatonnes of carbon emissions by 2030.

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The project would cost \$30 billion over the next decade, they say. Expensive, but Alberta has a plan to pay for it. "We want the federal government to step up" by providing a few billion a year in direct funding or tax credits, said Alberta Energy Minister Sonya Savage. Good luck with that, I would think, since it seems unlikely a country looking at an escalating trillion dollars in debt can afford to send trainloads of cash from national taxpayers, money that will essentially be buried in the ground near oilsands plants in Alberta.

By endorsing CCUS, Jason Kenney's United Conservative government has officially installed energy-rich Alberta as an official supporter of the United Nations/Justin Trudeau/John Kerry/Mark Carney/Paris agreement plan to reduce all new human carbon emissions to net zero by 2050. Whether the net-zero targets are necessary or achievable appears not to be of much importance. The assumption is that if governments all over the world throw trillions of dollars at the net-zero plan, it will all somehow work out.

The role of carbon capture, essentially a technology that does not exist in any economically viable form, is considered crucial to the whole net-zero crusade. An International Energy Agency report last year said that CCUS is a pillar of net-zero because even after 2050 the world will still need fossil fuels. To achieve net zero, carbon emissions from Alberta's fossil fuels would have to be captured and buried.

Reports from the CERAWEEK energy conference highlighted the need for major government aid and industry "research and development." The head of a petroleum research centre in Riyadh said governments need to step up with CCUS aid programs similar to the feed-in tariffs regime and other schemes used to bolster wind and solar power around the world, including Texas.

In the U.K., major oil firms are seeking government grants to decarbonize a major industrial zone by capturing industrial carbon emissions and storing them at an offshore site under the North Sea. The United States has just installed a special tax credit for carbon sequestration projects.

While massive funding is being allocated for CCUS in developed countries to fight fossil fuel emissions, other trends continue. On the day Alberta announced its plans to capture carbon, India's coal company announced US\$6.4 billion in new coal mining projects.

While we're on the subject, it's worth taking a look at such real-world market trends. The price of coal is rising, along with the price of oil. One forecast said the price of oil is on the move and could be heading to US\$100 a barrel. Many factors are at play in both coal and oil, but there can be no mistaking that the fossil fuel industries are about to benefit from rising prices and increasing demand. At the same time, despite continued optimistic talk about wind and solar, the market for renewables appears to be weakening in the wake of the Texas ice storm demonstration of wind's weakness.

As the graph below shows, the Nasdaq index of green energy stocks is down about 20 per cent since the ice storm while the S&P oil and gas index has moved 20 per cent higher.

Against these metrics, the big government subsidy rush into CCUS seems a little off the market.

**ART** / [NTNP\_20210310\_All\_but\_Toronto\_FP10\_03\_I001.jpg];

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